

Watco currently indirectly controls 19 Class III rail carriers: South Kansas and Oklahoma Railroad Company, Palouse River & Coulee City Railroad, Inc., Timber Rock Railroad, Inc., Stillwater Central Railroad, Inc., Eastern Idaho Railroad, Inc., Kansas & Oklahoma Railroad, Inc., Pennsylvania Southwestern Railroad, Inc., Great Northwest Railroad, Inc., Kaw River Railroad, Inc., Mission Mountain Railroad, Inc., Mississippi Southern Railroad, Inc., Yellowstone Valley Railroad, Inc., Louisiana Southern Railroad, Inc., Arkansas Southern Railroad, Inc., Alabama Southern Railroad, Inc., Vicksburg Southern Railroad, Inc., Austin Western Railroad, Inc., Baton Rouge Southern Railroad, LLC, and Pacific Sun Railroad, L.L.C.<sup>2</sup>

Watco states that the purpose of the proposed transaction is to reduce overhead expenses, and coordinate billing, maintenance, mechanical and personnel policies and practices of its rail carrier subsidiaries, and thereby improve the overall efficiency of rail service provided by the railroads in its corporate family.

Watco represents that: (1) The rail lines to be operated by AWR do not connect with any other railroads in the Watco corporate family; (2) the transaction is not part of a series of anticipated transactions that would connect the rail lines with any other railroad in the Watco corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be

filed no later than December 19, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35204, must be filed with the Surface Transportation Board, 395 E Street, SW., Washington, DC 20423–0001. In addition, one copy of each pleading must be served on Karl Morell, 1455 F Street, NW., Suite 225, Washington, DC 20005.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: December 5, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

**Jeffrey Herzig,**  
Clearance Clerk.

[FR Doc. E8–29314 Filed 12–11–08; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 35202]

#### **Canadian Pacific Railway Company, Soo Line Holding Company, and Dakota, Minnesota & Eastern Railroad Corporation, et al.—Corporate Family Transaction—Iowa, Chicago & Eastern Railroad Corporation**

Canadian Pacific Railway Company (CPR), Soo Line Holding Company (Soo Holding), Dakota, Minnesota & Eastern Railroad Corporation (DM&E), and Iowa, Chicago & Eastern Railroad Corporation (IC&E) have jointly filed a verified notice of exemption under 49 CFR 1180.2(d)(3) for an intra-corporate family transaction. DM&E currently has one wholly owned direct subsidiary, Cedar American Rail Holdings, Inc. (Cedar American), a noncarrier. Cedar American has two wholly owned subsidiaries: IC&E and Wyoming Dakota Railroad Properties, Inc. (Wyoming Dakota), a noncarrier. The transaction involves the merger of Cedar American and IC&E with and into DM&E, with DM&E being the surviving corporation. Upon completion of the transaction, Cedar American and IC&E would cease to exist, with Wyoming Dakota becoming a direct subsidiary of DM&E. DM&E will continue to be a direct subsidiary of Soo Holding and a “sister” corporation of Soo Line Railroad Company.

The transaction is scheduled to be consummated as soon as practicable after December 26, 2008, the effective date of the exemption.

The purpose of the transaction is to simplify the corporate structure of CPR’s

U.S. carrier subsidiaries, following the acquisition of control of DM&E and IC&E by Soo Holding (and, indirectly, by CPR). The elimination of IC&E and Cedar American as separate corporate entities will streamline DM&E’s corporate structure, reduce administration expenses, and improve the overall efficiency of DM&E.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The parties state that the transaction will not result in adverse changes in service levels, significant operational changes, or any change in the competitive status quo with carriers outside the corporate family.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. As a condition to the use of this exemption, any employees adversely affected by this transaction will be protected by the conditions set forth in *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979).

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. Petitions for stay must be filed no later than December 19, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35202, must be filed with the Surface Transportation Board, 395 E Street, NW., Washington, DC 20423–0001. In addition, one copy of each pleading must be served on Terence M. Hynes, Sidley Austin LLP, 1501 K Street, NW., Washington, DC 20005.

Board decisions and notices are available on our Web site at <http://www.stb.dot.gov>.

Decided: December 9, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

**Jeffrey Herzig,**  
Clearance Clerk.

[FR Doc. E8–29451 Filed 12–11–08; 8:45 am]

**BILLING CODE 4915–01–P**

<sup>2</sup> Watco notes that it has recently filed a notice to control another new carrier, but indicates that the above transaction is expected to be consummated first. See *Watco Companies—Continuance in Control Exemption—Grand Elk Railroad, LLC*, STB Finance Docket No. 35188 (STB served Nov. 17, 2008).